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Attorney for Debtors

ELECTRONICALLY FILED BY
BELDING, HARRIS & PETRONI, LTD.
ON 3/23/11

UNITED STATES BANKRUPTCY COURT

DISTRICT OF NEVADA

* * * * *

IN RE:

Case No. BK-11-50250
(Chapter 13)

TODD A. BENEDICT and
KRISTIN J. BENEDICT,
husband and wife,

Debtors.

**MOTION TO VALUE
COLLATERAL HELD BY
GREAT BASIN FEDERAL
CREDIT UNION**

Hrg. DATE: April 29, 2011
Hrg. TIME: 2:00 p.m.
Est. Time: 5 minutes
Set By: Calendar Clerk

COME NOW Debtors, TODD A. BENEDICT and KRISTIN J. BENEDICT ("Debtors"), by and through their attorney, STEPHEN R. HARRIS, ESQ. of BELDING, HARRIS & PETRONI, LTD., and hereby move the Court to value their residence, which residence is the collateral securing Debtors' indebtedness to GREAT BASIN FEDERAL CREDIT UNION ("GBCU"). This Motion is made and based upon the Points and Authorities set forth below, the matters and papers on file in this case and 11 U.S.C. §506(a), Fed. R. Bankr. P. 3012 and Local Rule 3012.

POINTS AND AUTHORITIES

I. FACTS

The Debtors filed a voluntary petition for bankruptcy relief under Chapter 13 of Title 11 of

1 the United States Code on January 27, 2011. William A. Van Meter was duly appointed as the
2 Chapter 13 Trustee in this case.

3 The Debtors' residence is located at 10010 Stonechase Court, Reno, Nevada 89521
4 ("Property"). The Debtors contracted with Gary D. Becker, Certified Appraiser, to appraise the
5 Property. After completing an appraisal of the Property, Mr. Becker estimated the fair market value
6 of the Property to be Two Hundred Thirty Five Thousand Dollars (\$235,000.00), calculated as of
7 March 9, 2011. A full copy of the appraisal report is attached hereto as **Exhibit "A"** and incorporated
8 herewith by that reference. GENERAL MOTORS ACCEPTANCE CORPORATION ("GMAC") is
9 the holder of a first deed of trust encumbering the Property securing a promissory note pursuant to
10 which GMAC is owed approximately Three Hundred Seventy Three Thousand Dollars (\$373,000.00).
11 GBCU is the second deed of trust holder against the Property and is owed approximately Sixty Three
12 Thousand Six Hundred Forty Eight and 86/100 Dollars (\$63,648.86) (Claim No. 1-1).

13 II. ARGUMENT

14 A. GBCU does not have an allowed secured claim.

15 11 U.S.C. §506(a) bifurcates a creditor's allowed claim into two parts: (1) secured to the
16 extent of the value of the property to which the creditor's interest in the lien property attaches; and
17 (2) unsecured to the extent the claim exceeds the value of the underlying property. A claim such as
18 a mortgage is not a "secured claim" to the extent that it exceeds the value of the property that secures
19 it. Under the Bankruptcy Code, "secured claim" is thus a term of art; not every claim that is secured
20 by a lien on property will be considered a "secured claim." In re Zimmer, 313 F.3d 1220 (9th Cir.
21 2002). Further, a junior lien holder's claim is an unsecured claim when its deed of trust is junior to
22 a first deed of trust and the value of the loan secured by the first deed of trust is greater than the value
23 of the house. Id. This is the exact situation that exists in this case.

24 The cumulative value of the first and second deeds of trust recorded against the Property is

1 approximately \$436,648.86. Since the amount of the debt to GMAC on account of the first deed of
 2 trust exceeds the actual value of the Property, the value of the estate's interest in the Property is zero.
 3 As a second deed of trust holder, GBCU's secured interest in the Property under the second deed of
 4 trust is also zero. Thus, under §506(a), GBCU would not have an allowed secured claim as to its
 5 second trust deed encumbrance and under Zimmer its claim must be unsecured.
 6

7 B. GBCU's contract rights may be modified through Debtors' Chapter 13 Plan.

8 11 U.S.C. §1322(b)(2) provides that a plan may modify the rights of holders of secured claims
 9 other than a claim secured only by a security interest in real property that is the debtors' principal
 10 residence. However, as in this case, a wholly unsecured lien is not protected by the antimodification
 11 clause of 1322(b)(2). Zimmer at 313 F.3d 1220. Since GBCU is completely unsecured as to its junior
 12 deed of trust, GBCU is not entitled to the protection of §1322(b)(2).
 13

14 Accordingly, since GBCU's second deed of trust in the approximate amount of \$63,648.86
 15 is wholly unsecured, GBCU shall be treated as an unsecured creditor in Debtors' Chapter 13 Plan
 16 ("Plan") pursuant to §§ 506(a) and 1322 (b)(2). See the Plan filed concurrently herewith.
 17

18 **WHEREFORE** Debtors pray that this Court enter its order determining that the value of the
 19 Property is less than the debt to GMAC on account of its first deed of trust, so that GREAT BASIN
 20 CREDIT UNION's claim on account of the second deed of trust recorded against the Property may
 21 be treated as an unsecured claim in the sum of \$63,648.86 under the Plan.
 22

23 DATED this 23 day of March, 2011.

24 STEPHEN R. HARRIS, ESQ.
 25 BELDING, HARRIS & PETRONI, LTD.
 26 417 West Plumb Lane
 27 Reno, Nevada 89509

28 /s/ Stephen R. Harris
 Attorney for Debtors

EXHIBIT “A”

EXHIBIT “A”

03/09/2011

Telephone Number: 775-786-8484

Fax Number: 775-786-5956

REFERENCE

Internal Order #: 6119

Lender Case #:

Client File #:

Main File # on form: 6119

Other File # on form: 6119

Federal Tax ID:

Employer ID:

TO:

Todd Benedict
10010 Stonechase Court
Reno, NV 89521

Telephone Number:

Fax Number:

Alternate Number:

E-Mail:

DESCRIPTION

Lender: Benedict, Todd & Kristin

Client: Benedict, Todd & Kristin

Purchaser/Borrower: Benedict, Todd & Kristin

Property Address: 10010 Stonechase Ct

City: Reno

County: Washoe

State: NV

Zip: 89521-7265

Legal Description: Lot 57, Block "B", Villages At Damonte Ranch - Unit 12B

FEES

AMOUNT

GPRES2

275.00

SUBTOTAL

275.00

PAYMENTS

AMOUNT

Check #: 2014

Date: 03/09/2011

Description:

275.00

Check #:

Date:

Description:

Check #:

Date:

Description:

SUBTOTAL

275.00

ASSIGNMENT	Market Area Name: <u>Demento Ranch</u> Map Reference: <u>39900</u> Census Tract: <u>0022.02</u>																																																																																									
	The purpose of this appraisal is to develop an opinion of: <input checked="" type="checkbox"/> Market Value (as defined), or <input type="checkbox"/> other type of value (describe)																																																																																									
	This report reflects the following value (if not Current, see comments): <input checked="" type="checkbox"/> Current (the Inspection Date is the Effective Date) <input type="checkbox"/> Retrospective <input type="checkbox"/> Prospective																																																																																									
	Approaches developed for this appraisal: <input checked="" type="checkbox"/> Sales Comparison Approach <input type="checkbox"/> Cost Approach <input type="checkbox"/> Income Approach (See Reconciliation Comments and Scope of Work)																																																																																									
MARKET AREA DESCRIPTION	Property Rights Appraised: <input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Leased Fee <input type="checkbox"/> Other (describe)																																																																																									
	Intended Use: <u>Property valuation.</u>																																																																																									
	Intended User(s) (by name or type): <u>Todd Benedict</u>																																																																																									
	Client: <u>Benedict, Todd & Kristin</u>					Address: <u>10010 Stonechase Court</u>																																																																																				
	Appraiser: <u>Gary D. Becker</u>					Address: <u>2425 Range View Court, Reno, NV 89519</u>																																																																																				
	<table><tr><td>Location:</td><td><input type="checkbox"/> Urban</td><td><input checked="" type="checkbox"/> Suburban</td><td><input type="checkbox"/> Rural</td><td rowspan="5">Predominant Occupancy</td><td colspan="2">One-Unit Housing</td><td colspan="2">Present Land Use</td><td colspan="2">Change in Land Use</td></tr><tr><td>Built up:</td><td><input type="checkbox"/> Over 75%</td><td><input checked="" type="checkbox"/> 25-75%</td><td><input type="checkbox"/> Under 25%</td><td>PRICE</td><td>AGE</td><td>One-Unit</td><td>100 %</td><td><input type="checkbox"/> Not Likely</td></tr><tr><td>Growth rate:</td><td><input type="checkbox"/> Rapid</td><td><input checked="" type="checkbox"/> Stable</td><td><input type="checkbox"/> Slow</td><td>\$(000)</td><td>(yrs)</td><td>2-4 Unit</td><td>0 %</td><td><input type="checkbox"/> Likely *</td></tr><tr><td>Property values:</td><td><input type="checkbox"/> Increasing</td><td><input checked="" type="checkbox"/> Stable</td><td><input type="checkbox"/> Declining</td><td>125</td><td>Low</td><td>0</td><td>Multi-Unit</td><td>0 %</td><td><input type="checkbox"/> In Process *</td></tr><tr><td>Demand/supply:</td><td><input type="checkbox"/> Shortage</td><td><input checked="" type="checkbox"/> In Balance</td><td><input type="checkbox"/> Over Supply</td><td>300</td><td>High</td><td>40</td><td>Comm'l</td><td>0 %</td><td>* To: _____</td></tr><tr><td>Marketing time:</td><td><input type="checkbox"/> Under 3 Mos.</td><td><input checked="" type="checkbox"/> 3-6 Mos.</td><td><input type="checkbox"/> Over 6 Mos.</td><td>175</td><td>Pred</td><td>15</td><td></td><td>0 %</td><td></td></tr></table>										Location:	<input type="checkbox"/> Urban	<input checked="" type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Predominant Occupancy	One-Unit Housing		Present Land Use		Change in Land Use		Built up:	<input type="checkbox"/> Over 75%	<input checked="" type="checkbox"/> 25-75%	<input type="checkbox"/> Under 25%	PRICE	AGE	One-Unit	100 %	<input type="checkbox"/> Not Likely	Growth rate:	<input type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Slow	\$(000)	(yrs)	2-4 Unit	0 %	<input type="checkbox"/> Likely *	Property values:	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining	125	Low	0	Multi-Unit	0 %	<input type="checkbox"/> In Process *	Demand/supply:	<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In Balance	<input type="checkbox"/> Over Supply	300	High	40	Comm'l	0 %	* To: _____	Marketing time:	<input type="checkbox"/> Under 3 Mos.	<input checked="" type="checkbox"/> 3-6 Mos.	<input type="checkbox"/> Over 6 Mos.	175	Pred	15		0 %																						
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Market Area Boundaries, Description, and Market Conditions (including support for the above characteristics and trends): <u>Market conditions in the subject neighborhood and market area are considered to be approaching stability after a 6 year period of declining values by local real estate professionals with average marketing time running under six months for most properties which are competitively priced. Supply and demand are currently approaching a balanced state with all types of financing are available from local lending institutions.</u>																																																																																										
SITE DESCRIPTION	Dimensions: <u>See attached plat map.</u> Site Area: <u>.31 acre</u>																																																																																									
	Zoning Classification: <u>SPD</u>					Description: <u>single family residential</u>																																																																																				
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	Highest & Best Use as improved: <input checked="" type="checkbox"/> Present use, or <input type="checkbox"/> Other use (explain) _____																																																																																									
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FEMA Spec'l Flood Hazard Area <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No FEMA Flood Zone <u>X</u> FEMA Map # <u>32031C3261G</u> FEMA Map Date <u>3/16/2009</u>																																																																																										
Site Comments: <u>This is a typical residential cul-de-sac site in this neighborhood.</u>																																																																																										
DESCRIPTION OF THE IMPROVEMENTS	<table><tr><td colspan="2">General Description</td><td colspan="2">Exterior Description</td><td colspan="2">Foundation</td><td colspan="2">Basement <input checked="" type="checkbox"/> None</td><td colspan="2">Heating</td></tr><tr><td># of Units</td><td><u>1</u> <input type="checkbox"/> Acc. Unit</td><td>Foundation</td><td><u>concrete/slab/A</u></td><td>Slab</td><td><u>concrete</u></td><td>Area Sq. Ft.</td><td></td><td>Type</td><td><u>FA</u></td></tr><tr><td># of Stories</td><td><u>1</u></td><td>Exterior Walls</td><td><u>stucco/A</u></td><td>Crawl Space</td><td><u>yes</u></td><td>% Finished</td><td></td><td>Fuel</td><td><u>gas</u></td></tr><tr><td>Type</td><td><input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/></td><td>Roof Surface</td><td><u>concrete tile/A</u></td><td>Basement</td><td><u>none</u></td><td>Ceiling</td><td></td><td></td><td></td></tr><tr><td>Design (Style)</td><td><u>1 story ranch</u></td><td>Gutters & Dwnspts.</td><td><u>metal/A</u></td><td>Sump Pump</td><td><input type="checkbox"/></td><td>Walls</td><td></td><td>Cooling</td><td><u>none</u></td></tr><tr><td><input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Und.Cons.</td><td></td><td>Window Type</td><td><u>vinyl sliders/A</u></td><td>Dampness</td><td><input type="checkbox"/></td><td>Floor</td><td></td><td>Central</td><td><u>CAC</u></td></tr><tr><td>Actual Age (Yrs.)</td><td><u>7</u></td><td>Storm/Screens</td><td><u>none/full/A</u></td><td>Settlement</td><td></td><td>Outside Entry</td><td></td><td>Other</td><td></td></tr><tr><td>Effective Age (Yrs.)</td><td><u>4</u></td><td></td><td></td><td>Infestation</td><td></td><td></td><td></td><td></td><td></td></tr></table>										General Description		Exterior Description		Foundation		Basement <input checked="" type="checkbox"/> None		Heating		# of Units	<u>1</u> <input type="checkbox"/> Acc. Unit	Foundation	<u>concrete/slab/A</u>	Slab	<u>concrete</u>	Area Sq. Ft.		Type	<u>FA</u>	# of Stories	<u>1</u>	Exterior Walls	<u>stucco/A</u>	Crawl Space	<u>yes</u>	% Finished		Fuel	<u>gas</u>	Type	<input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/>	Roof Surface	<u>concrete tile/A</u>	Basement	<u>none</u>	Ceiling				Design (Style)	<u>1 story ranch</u>	Gutters & Dwnspts.	<u>metal/A</u>	Sump Pump	<input type="checkbox"/>	Walls		Cooling	<u>none</u>	<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Und.Cons.		Window Type	<u>vinyl sliders/A</u>	Dampness	<input type="checkbox"/>	Floor		Central	<u>CAC</u>	Actual Age (Yrs.)	<u>7</u>	Storm/Screens	<u>none/full/A</u>	Settlement		Outside Entry		Other		Effective Age (Yrs.)	<u>4</u>			Infestation					
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	<table><tr><td colspan="2">Interior Description</td><td colspan="2">Appliances</td><td colspan="2">Attic <input type="checkbox"/> None</td><td colspan="2">Amenities</td><td colspan="2">Car Storage <input type="checkbox"/> None</td></tr><tr><td>Floors</td><td><u>carpet-tile-vinyl/A</u></td><td>Refrigerator</td><td><input type="checkbox"/></td><td>Stairs</td><td><input type="checkbox"/></td><td>Fireplace(s) #</td><td><u>1</u></td><td>Woodstove(s) #</td><td><u>0</u></td></tr><tr><td>Walls</td><td><u>paint/A</u></td><td>Range/Oven</td><td><input checked="" type="checkbox"/></td><td>Drop Stair</td><td><input type="checkbox"/></td><td>Patio</td><td><u>one</u></td><td></td><td></td></tr><tr><td>Trim/Finish</td><td><u>wood/A</u></td><td>Disposal</td><td><input checked="" type="checkbox"/></td><td>Scuttle</td><td><input checked="" type="checkbox"/></td><td>Deck</td><td><u>none</u></td><td></td><td></td></tr><tr><td>Bath Floor</td><td><u>carpet-vinyl/A</u></td><td>Dishwasher</td><td><input checked="" type="checkbox"/></td><td>Doorway</td><td><input type="checkbox"/></td><td>Porch</td><td><u>front</u></td><td></td><td></td></tr><tr><td>Bath Wainscot</td><td><u>tile/A</u></td><td>Fan/Hood</td><td><input checked="" type="checkbox"/></td><td>Floor</td><td><input type="checkbox"/></td><td>Fence</td><td><u>wood/concrete block</u></td><td></td><td></td></tr><tr><td>Doors</td><td><u>wood/A</u></td><td>Microwave</td><td><input checked="" type="checkbox"/></td><td>Heated</td><td><input type="checkbox"/></td><td>Pool</td><td><u>one/gunite</u></td><td></td><td></td></tr><tr><td></td><td></td><td>Washer/Dryer</td><td><input type="checkbox"/></td><td>Finished</td><td><input type="checkbox"/></td><td>RV</td><td><u>concrete</u></td><td></td><td></td></tr></table>										Interior Description		Appliances		Attic <input type="checkbox"/> None		Amenities		Car Storage <input type="checkbox"/> None		Floors	<u>carpet-tile-vinyl/A</u>	Refrigerator	<input type="checkbox"/>	Stairs	<input type="checkbox"/>	Fireplace(s) #	<u>1</u>	Woodstove(s) #	<u>0</u>	Walls	<u>paint/A</u>	Range/Oven	<input checked="" type="checkbox"/>	Drop Stair	<input type="checkbox"/>	Patio	<u>one</u>			Trim/Finish	<u>wood/A</u>	Disposal	<input checked="" type="checkbox"/>	Scuttle	<input checked="" type="checkbox"/>	Deck	<u>none</u>			Bath Floor	<u>carpet-vinyl/A</u>	Dishwasher	<input checked="" type="checkbox"/>	Doorway	<input type="checkbox"/>	Porch	<u>front</u>			Bath Wainscot	<u>tile/A</u>	Fan/Hood	<input checked="" type="checkbox"/>	Floor	<input type="checkbox"/>	Fence	<u>wood/concrete block</u>			Doors	<u>wood/A</u>	Microwave	<input checked="" type="checkbox"/>	Heated	<input type="checkbox"/>	Pool	<u>one/gunite</u>					Washer/Dryer	<input type="checkbox"/>	Finished	<input type="checkbox"/>	RV	<u>concrete</u>		
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		Washer/Dryer	<input type="checkbox"/>	Finished	<input type="checkbox"/>	RV	<u>concrete</u>																																																																																			
Finished area above grade contains: <u>7</u> Rooms <u>3</u> Bedrooms <u>2</u> Bath(s) <u>1,880</u> Square Feet of Gross Living Area Above Grade																																																																																										
Additional features: <u>There is a large in-ground gunite swimming pool in the rear yard with security gate and metal view fencing.</u>																																																																																										
Describe the condition of the property (including physical, functional and external obsolescence): <u>Property is in average condition with no adverse economic or</u>																																																																																										

TRANSF

2nd Prior Subject Sale/Transfer

Case 11-50250-btb Doc 28 Entered 03/23/11 20:32:12 Page 7 of 16

Date:

Price:

Source(s):

SALES COMPARISON APPROACH TO VALUE (if developed) ☐ The Sales Comparison Approach was not developed for this appraisal.

FEATURE	SUBJECT	COMPARABLE SALE # 1			COMPARABLE SALE # 2			COMPARABLE SALE # 3		
Address	10010 Stonechase Ct Reno, NV 89521-7265	1610 Arboleda Drive APN: 161-282-10			1805 Montelena Court APN: 161-303-08			1688 Sewell Drive APN: 161-341-30		
Proximity to Subject		1.10 miles W			0.86 miles W			0.98 miles W		
Sale Price	\$ N/A	\$ 228,000			\$ 239,900			\$ 222,000		
Sale Price/GLA	\$ /sq.ft.	\$ 102.06 /sq.ft.			\$ 116.01 /sq.ft.			\$ 124.93 /sq.ft.		
Data Source(s)	physical inspection	C/B Select Real Estate			Keller Williams Group One Sparks			Dickson Realty Damonte Ranch		
Verification Source(s)	RealQuest	NNRMLS/99 days on market			NNRMLS/40 days on market			NNRMLS/252 days on market		
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION + (-) \$ Adjust.			DESCRIPTION + (-) \$ Adjust.			DESCRIPTION + (-) \$ Adjust.		
Sales or Financing Concessions	N/A	new FHA Doc#3948152			new VA Doc#3957612			Cash Doc#3938877		
Date of Sale/Time	N/A	12/01/2010			12/27/2010			11/02/2010		
Rights Appraised	Fee Simple	Fee Simple			Fee Simple			Fee Simple		
Location	Damonte Ranch	Double Diamond			Double Diamond			Double Diamond		
Site	.31 acre	.17 acre +5,000			.19 acre +5,000			.18 acre +5,000		
View	no amenity	no amenity			no amenity			no amenity		
Design (Style)	1 story ranch	1 story/similar			1 story/similar			1 story/similar		
Quality of Construction	good tract	similar quality			similar quality			similar quality		
Age	7 years	5 years			6 years			5 years		
Condition	average	similar			similar			similar		
Above Grade	Total Bdrms Baths	Total Bdrms Baths			Total Bdrms Baths			Total Bdrms Baths		
Room Count	7 3 2	7 4 2			8 4 2			7 3 2		
Gross Living Area	1,880 sq.ft.	2,234 sq.ft. -15,900			2,068 sq.ft. -8,500			1,777 sq.ft. +4,600		
Basement & Finished	none	none			none			none		
Rooms Below Grade	none	none			none			none		
Functional Utility	typical for quality	similar			similar			similar		
Heating/Cooling	FA/CAC	FA/CAC			FA/CAC			FA/CAC		
Energy Efficient Items	typical for quality	similar			similar			similar		
Garage/Carport	3 car garage	3 car garage			3 car garage			3 car garage		
Porch/Patio/Deck	porch & patio	similar amenities			similar amenities			similar amenities		
fireplace	fireplace	fireplace			fireplace			fireplace		
landscaping	full landscaping	inferior amenity +2,500			similar amenity			inferior amenity +2,500		
Other features	in-ground pool	none +5,000			none +5,000			none +5,000		
Other features	RV parking	none +2,500			none +2,500			none +2,500		
Net Adjustment (Total)		<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ -900			<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 4,000			<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 19,600		
Adjusted Sale Price of Comparables		\$ 227,100			\$ 243,900			\$ 241,600		

Summary of Sales Comparison Approach All three comparable sales are located in the subject South Meadows market area. Sales #1 and #2 are adjusted down for larger size of living area while Sale #3 is adjusted upward for smaller size. Each sale is adjusted upward for the subject's large rear yard gunite swimming pool amenity and concrete RV parking area.

SALES COMPARISON APPROACH

COST APPROACH

ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE = \$		
Source of cost data:	DWELLING	Sq.Ft. @ \$ = \$
Quality rating from cost service:		Sq.Ft. @ \$ = \$
Effective date of cost data:		Sq.Ft. @ \$ = \$
Comments on Cost Approach (gross living area calculations, depreciation, etc.):		Sq.Ft. @ \$ = \$
		Sq.Ft. @ \$ = \$
		Sq.Ft. @ \$ = \$
		Sq.Ft. @ \$ = \$
		Sq.Ft. @ \$ = \$
	Garage/Carport	Sq.Ft. @ \$ = \$
	Total Estimate of Cost-New = \$		
	Less Physical	Functional	External
	Depreciation	 = \$()
	Depreciated Cost of Improvements = \$		
	"As-is" Value of Site Improvements = \$		
 = \$		
 = \$		
Estimated Remaining Economic Life (if required):	Years	INDICATED VALUE BY COST APPROACH = \$	

INCOME APPROACH

INCOME APPROACH TO VALUE (if developed) <input checked="" type="checkbox"/> The Income Approach was not developed for this appraisal.	
Estimated Monthly Market Rent \$	X Gross Rent Multiplier = \$ Indicated Value by Income Approach
Summary of Income Approach (including support for market rent and GRM): The Income Approach is not used in this report because residential properties in the South Meadows market area are not typically bought and sold based on their rental income potential.	

PUD

PROJECT INFORMATION FOR PUDs (if applicable) <input checked="" type="checkbox"/> The Subject is part of a Planned Unit Development.	
Legal Name of Project: Damonte Ranch	
Describe common elements and recreational facilities: _____	


RECONCILIATION

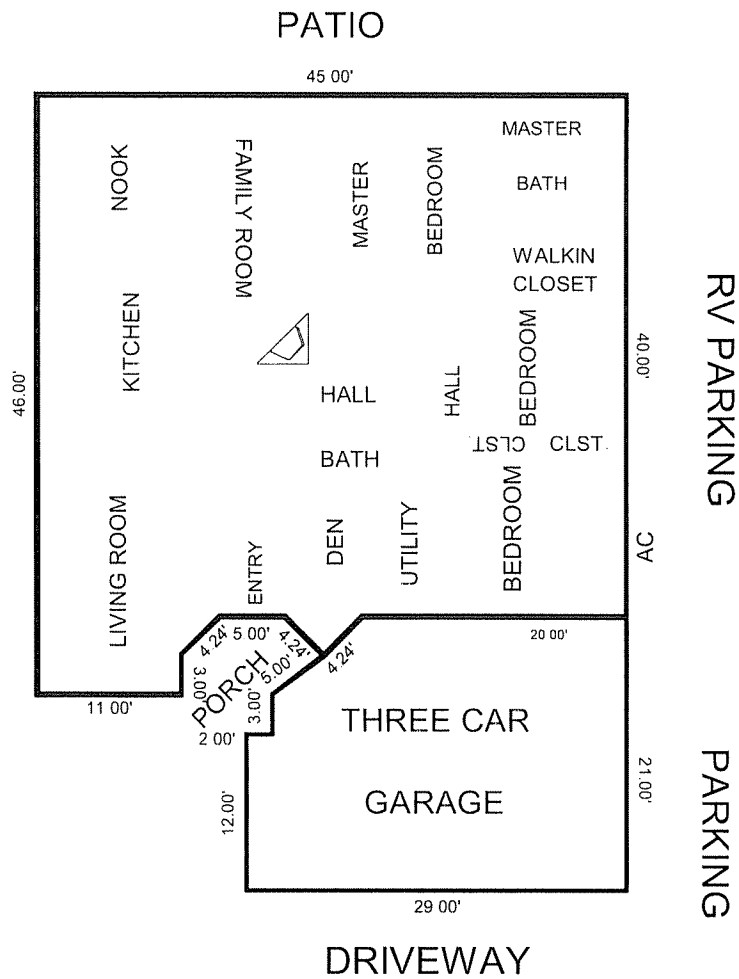
Indicated Value by: Sales Comparison Approach \$ 235,000	Cost Approach (if developed) \$ N/A	Income Approach (if developed) \$ N/A
Final Reconciliation The estimated Market Value of the subject property is based on the above Comparable Sales Analysis.		
This appraisal is made <input checked="" type="checkbox"/> "as is", <input type="checkbox"/> subject to completion per plans and specifications on the basis of a Hypothetical Condition that the improvements have been completed, <input type="checkbox"/> subject to the following repairs or alterations on the basis of a Hypothetical Condition that the repairs or alterations have been completed, <input type="checkbox"/> subject to the following required inspection based on the Extraordinary Assumption that the condition or deficiency does not require alteration or repair: _____		
<input checked="" type="checkbox"/> This report is also subject to other Hypothetical Conditions and/or Extraordinary Assumptions as specified in the attached addenda.		
Based on the degree of inspection of the subject property, as indicated below, defined Scope of Work, Statement of Assumptions and Limiting Conditions, and Appraiser's Certifications, my (our) Opinion of the Market Value (or other specified value type), as defined herein, of the real property that is the subject of this report is: \$ 235,000 , as of: 03/09/2011 , which is the effective date of this appraisal. If indicated above, this Opinion of Value is subject to Hypothetical Conditions and/or Extraordinary Assumptions included in this report. See attached addenda.		

ATTACHMENTS

A true and complete copy of this report contains <u>9</u> pages, including exhibits which are considered an integral part of the report. This appraisal report may not be properly understood without reference to the information contained in the complete report.				
Attached Exhibits:				
<input checked="" type="checkbox"/> Scope of Work	<input checked="" type="checkbox"/> Limiting Cond./Certifications	<input type="checkbox"/> Narrative Addendum	<input checked="" type="checkbox"/> Photograph Addenda	<input checked="" type="checkbox"/> Sketch Addendum
<input checked="" type="checkbox"/> Map Addenda	<input type="checkbox"/> Additional Sales	<input type="checkbox"/> Cost Addendum	<input type="checkbox"/> Flood Addendum	<input type="checkbox"/> Manuf. House Addendum
<input type="checkbox"/> Hypothetical Conditions	<input type="checkbox"/> Extraordinary Assumptions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SIGNATURES

Client Contact: Todd Benedict	Client Name: Benedict, Todd & Kristin
E-Mail: toddbenedict@comcast.net	Address: 10010 Stonechase Court
APPRAISER	SUPERVISORY APPRAISER (if required) or CO-APPRAISER (if applicable)
	
Appraiser Name: Gary D. Becker	Supervisory or Co-Appraiser Name: _____
Company: Gary D. Becker Real Estate Appraiser LLC	Company: _____
Phone: (775) 786-8484	Phone: _____
Fax: _____	Fax: _____
E-Mail: _____	E-Mail: _____



Sketch by Apex IV™

Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	First Floor	1879.50	1879.50
GAR	Garage	568.50	568.50
Net LIVABLE Area		(Rounded)	1880

LIVING AREA BREAKDOWN			
Breakdown			Subtotals
First Floor			
	20.00	x 40.00	800.00
0.5 x	3.00	x 3.00	4.50
	14.00	x 40.00	560.00
	11.00	x 43.00	473.00
0.5 x	4.24	x 4.24	9.00
	3.00	x 11.00	33.00
6 Items	(Rounded)		1880

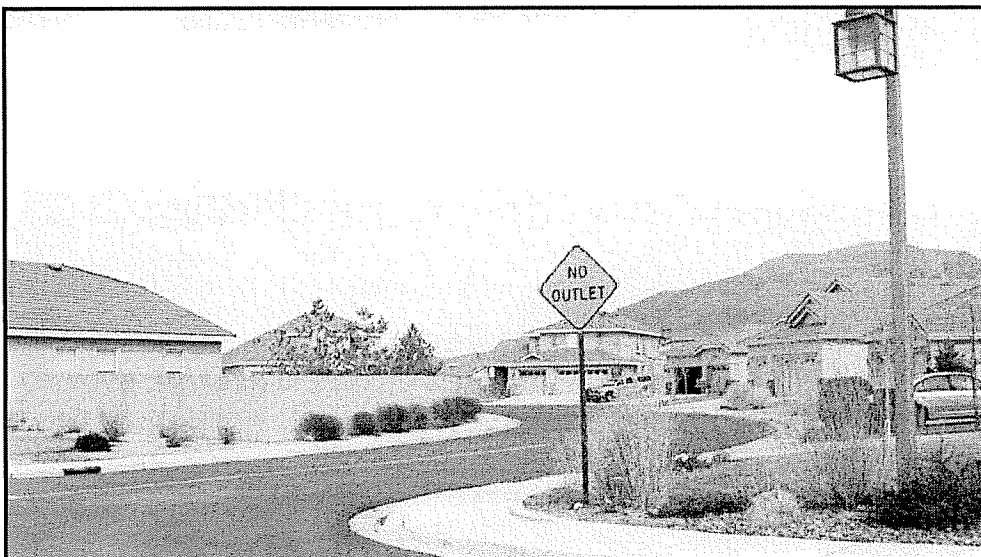
10010 Stonechase Ct
Sales Price N/A
GLA 1,880
Total Rooms 7
Total Bedrms 3
Total Bathrms 2
Location Damonte Ranch
View no amenity
Site .31 acre
Quality good tract
Age 7 years



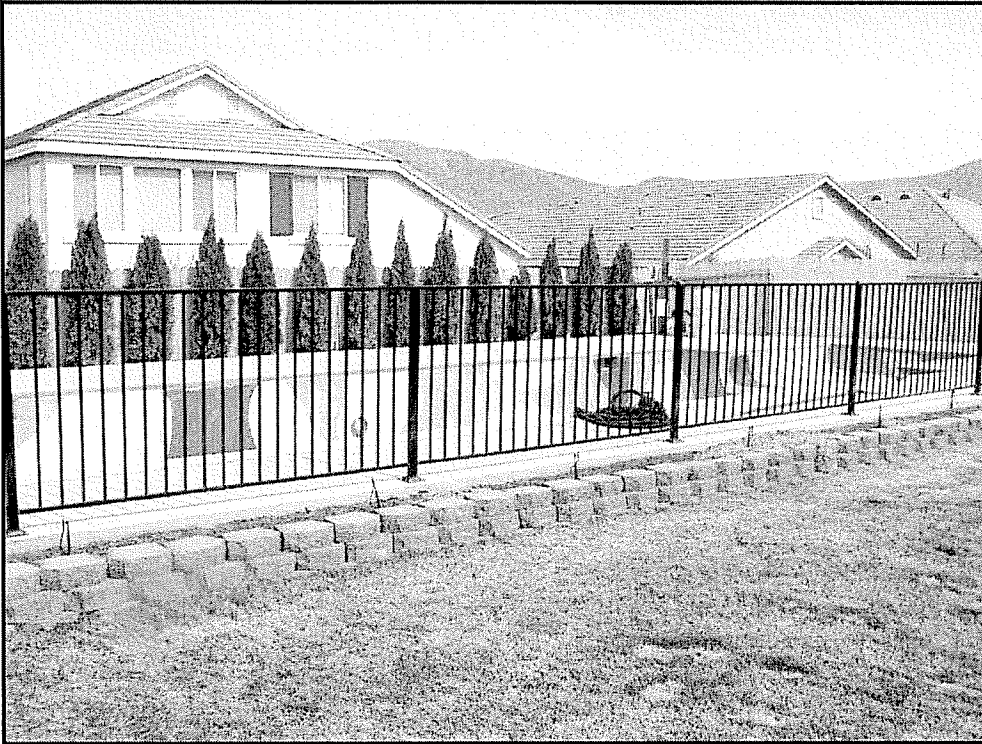
Subject Rear



Subject Street



10010 Stonechase Ct
Sales Price N/A
G.L.A. 1,880
Tot. Rooms 7
Tot. Bedrms. 3
Tot. Bathrms. 2
Location Damonte Ranch
View no amenity
Site .31 acre
Quality good tract
Age 7 years



Swimming pool

Subject Street



1610 Arboleda Drive
 Proximity 1.10 miles W
 Sale Price 228,000
 GLA 2,234
 Total Rooms 7
 Total Bedrms 4
 Total Bathrms 2
 Location Double Diamond
 View no amenity
 Site .17 acre
 Quality similar quality
 Age 5 years



Comparable 2

1805 Montelena Court
 Proximity 0.86 miles W
 Sale Price 239,900
 GLA 2,068
 Total Rooms 8
 Total Bedrms 4
 Total Bathrms 2
 Location Double Diamond
 View no amenity
 Site .19 acre
 Quality similar quality
 Age 6 years

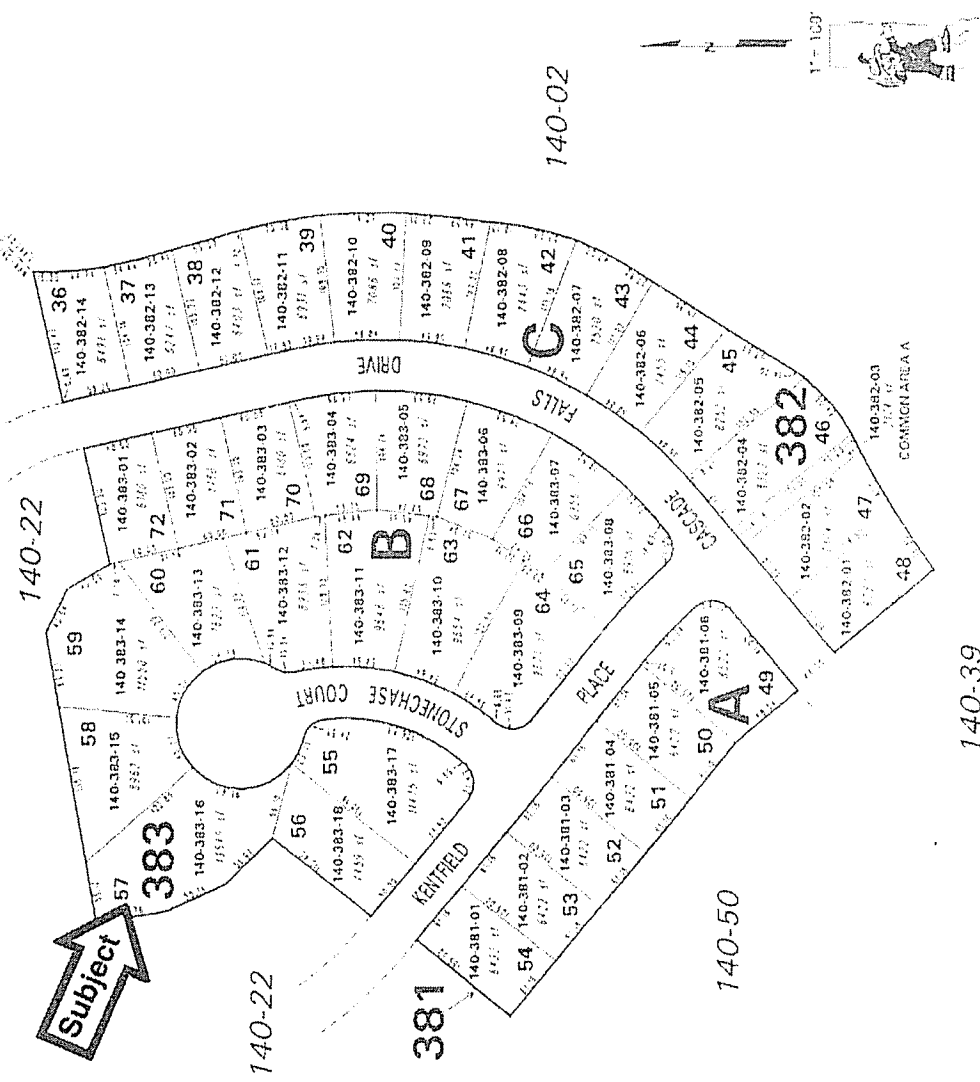


Comparable 3

1688 Sewell Drive
 Proximity 0.98 miles W
 Sale Price 222,000
 GLA 1,777
 Total Rooms 7
 Total Bedrms 3
 Total Bathrms 2
 Location Double Diamond
 View no amenity
 Site .18 acre
 Quality similar quality
 Age 5 years

140-33

(#4266)
VILLAGES AT DAMONTE RANCH - UNIT 12B
 PORTION OF NE 1/4 SECTION 15, T18N - R20E

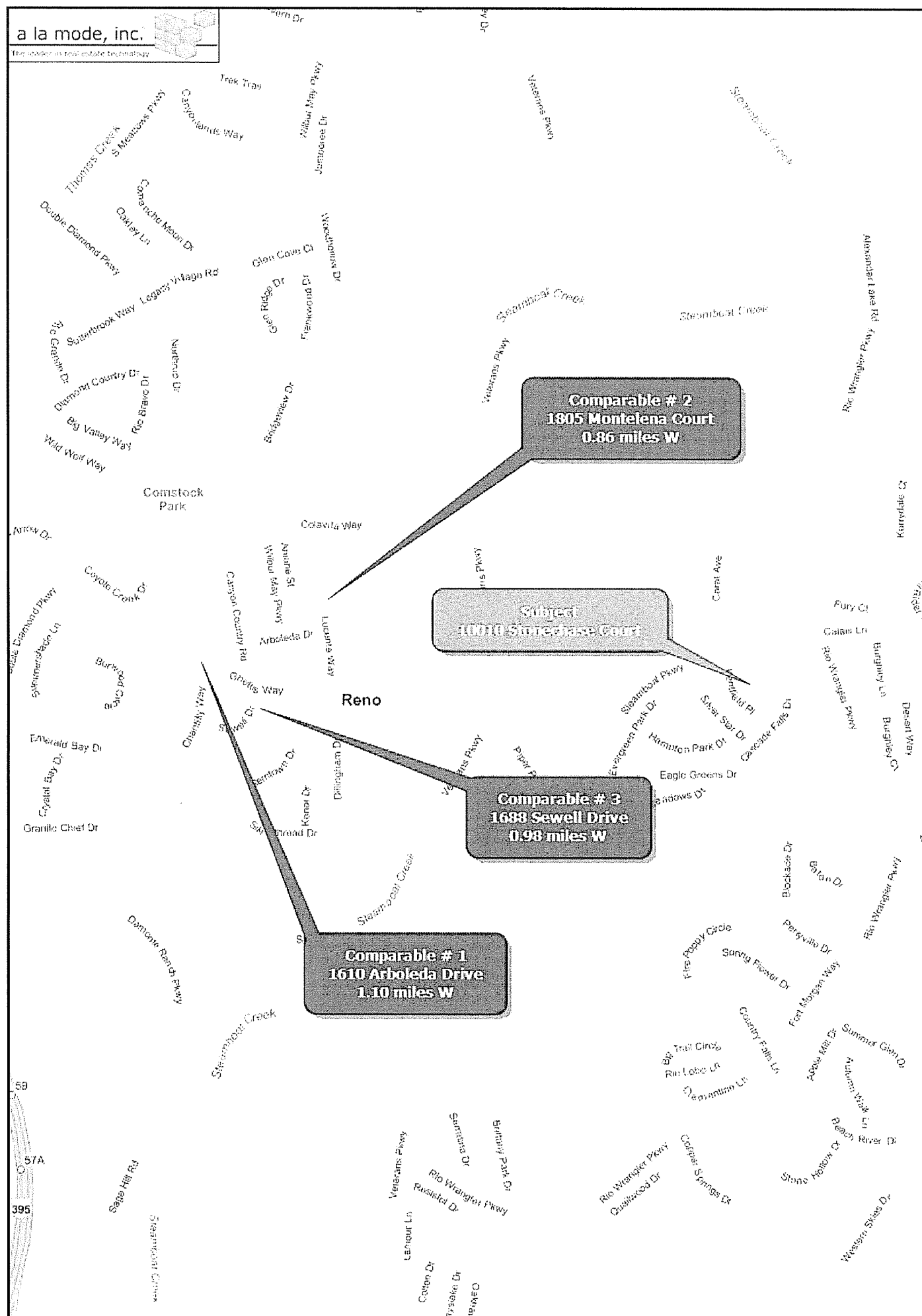


Drawn by: J. G. Wilson
 Revised at: 12.26.08 - KSB 5/10/07

This map was made by Joshua G. Wilson
 NOTE: Areas of parcels with no markers on the ground are shown as best as possible.

Office of Washoe County Assessor, Nevada - Joshua G. Wilson

NOTE: This map is prepared for the use of the Washoe County Assessor for assessment and mapping purposes only. It does not represent a survey of land. The accuracy of the data is assumed as to the sufficiency of the accuracy of the data delivered herein.



of it being under responsible ownership.

— The appraiser may have provided a sketch in the appraisal report to show approximate dimensions of the improvements, and any such sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size. Unless otherwise indicated, a Land Survey was not performed.

— If so indicated, the appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.

— The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.

— If the cost approach is included in this appraisal, the appraiser has estimated the value of the land in the cost approach at its highest and best use, and the improvements at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used. Unless otherwise specifically indicated, the cost approach value is not an insurance value, and should not be used as such.

— The appraiser has noted in the appraisal report any adverse conditions (including, but not limited to, needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property, or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property, or adverse environmental conditions (including, but not limited to, the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.

— The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.

— The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice, and any applicable federal, state or local laws.

— If this appraisal is indicated as subject to satisfactory completion, repairs, or alterations, the appraiser has based his or her appraisal report and valuation conclusion on the assumption that completion of the improvements will be performed in a workmanlike manner.

— An appraiser's client is the party (or parties) who engage an appraiser in a specific assignment. Any other party acquiring this report from the client does not become a party to the appraiser-client relationship. Any persons receiving this appraisal report because of disclosure requirements applicable to the appraiser's client do not become intended users of this report unless specifically identified by the client at the time of the assignment.

— The appraiser's written consent and approval must be obtained before this appraisal report can be conveyed by anyone to the public, through advertising, public relations, news, sales, or by means of any other media, or by its inclusion in a private or public database.

— An appraisal of real property is not a 'home inspection' and should not be construed as such. As part of the valuation process, the appraiser performs a non-invasive visual inventory that is not intended to reveal defects or detrimental conditions that are not readily apparent. The presence of such conditions or defects could adversely affect the appraiser's opinion of value. Clients with concerns about such potential negative factors are encouraged to engage the appropriate type of expert to investigate.

The Scope of Work is the type and extent of research and analyses performed in an appraisal assignment that is required to produce credible assignment results, given the nature of the appraisal problem, the specific requirements of the intended user(s) and the intended use of the appraisal report. Reliance upon this report, regardless of how acquired, by any party or for any use, other than those specified in this report by the Appraiser, is prohibited. The Opinion of Value that is the conclusion of this report is credible only within the context of the Scope of Work, Effective Date, the Date of Report, the Intended User(s), the Intended Use, the stated Assumptions and Limiting Conditions, any Hypothetical Conditions and/or Extraordinary Assumptions, and the Type of Value, as defined herein. The appraiser, appraisal firm, and related parties assume no obligation, liability, or accountability, and will not be responsible for any unauthorized use of this report or its conclusions.

Additional Comments (Scope of Work, Extraordinary Assumptions, Hypothetical Conditions, etc.):

- The credibility of this report, for the stated use by the stated user(s), of the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.
- I did not base, either partially or completely, my analysis and/or the opinion of value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property, or of the present owners or occupants of the properties in the vicinity of the subject property.
- Unless otherwise indicated, I have made a personal inspection of the property that is the subject of this report.
- Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification.

Additional Certifications:

DEFINITION OF MARKET VALUE *:

Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

* This definition is from regulations published by federal regulatory agencies pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989 between July 5, 1990, and August 24, 1990, by the Federal Reserve System (FRS), National Credit Union Administration (NCUA), Federal Deposit Insurance Corporation (FDIC), the Office of Thrift Supervision (OTS), and the Office of Comptroller of the Currency (OCC). This definition is also referenced in regulations jointly published by the OCC, OTS, FRS, and FDIC on June 7, 1994, and in the Interagency Appraisal and Evaluation Guidelines, dated October 27, 1994.

Client Contact: Todd Benedict

Client Name: Benedict, Todd & Kristin

E-Mail: toddbenedict@comcast.net

Address: 202 River Front Drive, Reno, NV 89519

APPRAISER

SUPERVISORY APPRAISER (if required) or CO-APPRAISER (if applicable)



Appraiser Name: Gary D. Becker

Company: Gary D. Becker Real Estate Appraiser LLC

Phone: (775) 786-8484

Fax:

E-Mail:

Supervisory or
Co-Appraiser Name:

Company:

Phone:

Fax:

E-Mail:

SIGNATURES